



# Brownfields Cleanup Revolving Loan Fund Pilot

## *Pittsburgh, PA*

Outreach and Special Projects Staff (5101)

Quick Reference Fact Sheet

EPA's Brownfields Economic Redevelopment Initiative is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA is funding: assessment demonstration pilot programs (each funded up to \$200,000 over two years), to assess brownfields sites and to test cleanup and redevelopment models; job training pilot programs (each funded up to \$200,000 over two years), to provide training for residents of communities affected by brownfields to facilitate cleanup of brownfields sites and prepare trainees for future employment in the environmental field; and, cleanup revolving loan fund programs (each funded up to \$500,000 over five years) to capitalize loan funds to make loans for the environmental cleanup of brownfields. These pilot programs are intended to provide EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.

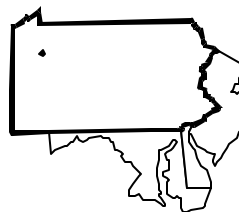
### BACKGROUND

Pittsburgh saw a population decrease of more than 150,000 from 1970 to 1990. The city currently has the state's greatest concentration of impoverished communities. The topography of the city, with three major rivers and deep valleys, has significantly reduced the amount of land available for development. In addition, the Pittsburgh area's industrial base has experienced a tremendous loss due primarily to the closing of steel mills and related metals industries. Many of these sites, which are now vacant and abandoned, lie along the riverfront adjacent to or within low-income residential communities.

### BCRLF OBJECTIVES

Pittsburgh's goal for its BCRLF Pilot program is to revitalize the city by facilitating the reclaiming and redeveloping of abandoned sites that are economically feasible for development. The loan funds will be used to clean up publicly owned and privately contaminated sites, and will leverage other public and private funds for both cleanup activities and site development. The BCRLF will allow the city to convert brownfields sites back to productive use, retain and create jobs, deter disinvestment, and attract new investment in the city. The loan funds will be targeted to the city's

### PILOT SNAPSHOT



Pittsburgh, Pennsylvania

Date of Award:  
September 1997

Amount: \$350,000

BCRLF Target Area : The city's federal Enterprise Community area, state Enterprise Zones, and state Redevelopment Areas.

#### Contacts:

DURA of Pittsburgh  
(412) 255-6658

Regional Brownfields Team  
U.S. EPA - Region 3  
(215) 814-3129

Visit the EPA Region 3 Brownfields web site at:  
<http://www.epa.gov/reg3hwmd/brownfld/hmpage1.htm>

For further information, including specific Pilot contacts, additional Pilot information, brownfields news and events, and publications and links, visit the EPA Brownfields web site at:  
<http://www.epa.gov/brownfields/>

federal Enterprise Community neighborhoods, its state Enterprise Zone areas, and its state-certified Redevelopment Areas. The city will build upon the community involvement concepts established in designating these distressed communities.

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*Use of BCRLF Pilot funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.*

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## FUND STRUCTURE AND OPERATIONS

The city will designate the Urban Redevelopment Authority of Pittsburgh (URA) as the Fund Manager. The revolving loan fund will be administered through the URA's Business Development Center. All loans must be approved by either the URA's Business Loan Review Committee or Real Estate Loan Review Committee. The URA's Department of Engineering and Construction will manage the site cleanup activities and will designate site managers to oversee cleanup activities at each site.

The URA will establish written application processes and procedures. Loan amounts are not expected to exceed 50 percent of the total development cost. The minimum loan amount is \$25,000, and the maximum loan amount is \$350,000. The borrower must provide equity at least equal to 10 percent of the total development cost. All loans will be secured by liens (e.g., mortgage interests, guarantees).

## LEVERAGING OTHER RESOURCES

The BCRLF funds will be used as part of an overall financing package to ensure the cleanup and redevelopment of brownfields. The city plans to capitalize the BCRLF with funds from a variety of federal, state and local sources, including: U.S. Housing and Urban Development Section 108 Loan Guarantee funds; U.S. Economic Development Administration funds; the state Communities of Opportunity Fund; the state Industrial Site Reuse Fund; the state Enterprise Zone; the state Infrastructure Development Fund; city tax increment financing; city capital funds/bonds. These programs provide below-market-rate capital to lower the cost of locating companies in the city. Leveraged other financing resources will provide help for site acquisition and development, real estate development, equipment, and working capital.